

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION  
Central Valley Project, California

INTERIM RENEWAL CONTRACT BETWEEN THE UNITED STATES  
AND  
SACRAMENTO COUNTY WATER AGENCY  
PROVIDING FOR PROJECT WATER SERVICE  
FROM THE AMERICAN RIVER DIVISION

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10 THIS CONTRACT, made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
11 in pursuance generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or  
12 supplementary thereto, including, but not limited to, the Acts of August 26, 1937 (50 Stat. 844),  
13 as amended and supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented,  
14 July 2, 1956 (70 Stat. 483), June 21, 1963 (77 Stat. 68), October 12, 1982 (96 Stat. 1263),  
15 October 27, 1986 (100 Stat. 3050), as amended, November 5, 1990 (104 Stat. 2074), and  
16 Title XXXIV of the Act of October 30, 1992 (106 Stat. 4706), all collectively hereinafter  
17 referred to as Federal Reclamation law, between the UNITED STATES OF AMERICA,  
18 hereinafter referred to as the United States, and the SACRAMENTO COUNTY WATER  
19 AGENCY, hereinafter referred to as the Contractor, a public agency of the State of California,  
20 duly organized, existing, and acting pursuant to the laws thereof;

21 WITNESSETH, That:

22 EXPLANATORY RECITALS

23 [1<sup>st</sup>] WHEREAS, the United States has constructed and is operating the Central Valley  
24 Project (Project), California, for diversion, storage, carriage, distribution and beneficial use, for  
25 flood control, irrigation, municipal, domestic, industrial, fish and wildlife mitigation, protection  
26 and restoration, generation and distribution of electric energy, salinity control, navigation and

27 other beneficial uses, of waters of the Sacramento River, the American River, the Trinity River,  
28 and the San Joaquin River and their tributaries; and

29 [2<sup>nd</sup>] WHEREAS, the United States constructed Folsom Dam and Reservoir,  
30 hereinafter collectively referred to as the American River Division facilities, which will be used  
31 in part for the furnishing of water to the Contractor pursuant to the terms of this Contract; and

32 [3<sup>rd</sup>] WHEREAS, the rights to Project Water were acquired by the United States  
33 pursuant to California law for operation of the Project; and

34 [4<sup>th</sup>] WHEREAS, the Sacramento Municipal Utility District (hereinafter referred to as  
35 the District) and the United States entered into Contract No. 14-06-200-5198A, dated  
36 November 20, 1970, hereinafter referred to as the Existing Contract, which established terms for  
37 the delivery to the District of up to 75,000 acre-feet of water from the American River Division  
38 through December 31, 2012; and

39 [4.1] WHEREAS, the District assigned to the Contractor on July 12, 2006, the right,  
40 title, and interest in that portion of the Existing Contract consisting of 30,000 acre-feet of the  
41 entitlement of the Project Water including any rights to renew the Existing Contract for the  
42 entitlement. Contractor agreed to enter into a long-term Contract with the United States for  
43 30,000 acre-feet of assigned water; and

44 [4.2] WHEREAS, the Contractor and the United States also entered into Contract  
45 No. 6-07-20-W1372, which established terms for the delivery to the Contractor of Project Water  
46 from the American River Division from April 8, 1999, through a date determined pursuant to  
47 Article 2 therein; and

48 [4.3] WHEREAS, except as specifically provided for in this Contract, the Contractor's  
49 right, title, and interest in Contract No. 6-07-20-W1372 is provided for under the Contractor's  
50 other Contract No. 6-07-20-W1372-LTR1; and

51 [5<sup>th</sup>] WHEREAS, Section 3404(c) of the CVPIA provides for long-term renewal of  
52 interim and existing long-term Central Valley Project Water service contracts following  
53 completion of appropriate environmental documentation, including a programmatic  
54 environmental impact statement (PEIS) pursuant to the National Environmental Policy Act  
55 (NEPA) analyzing the direct and indirect impacts and benefits of implementing the CVPIA and  
56 the potential renewal of all existing contracts for Project Water; and

57 [6<sup>th</sup>] Omitted; and

58 [7<sup>th</sup>] WHEREAS, the Contractor has requested to enter into this Contract, pursuant to  
59 the terms of the Existing Contract, Federal Reclamation law, and the laws of the State of  
60 California, for water service from the Project; and

61 [8<sup>th</sup>] WHEREAS, the United States has determined that the Contractor has fulfilled all  
62 of its obligations under the Existing Contract; and

63 [9<sup>th</sup>] WHEREAS, the Contractor has demonstrated to the satisfaction of the  
64 Contracting Officer that the Contractor has utilized the Project Water supplies available to it for  
65 reasonable and beneficial use and/or has demonstrated projected future demand for water use such  
66 that the Contractor has the capability and expects to utilize fully for reasonable and beneficial use  
67 the quantity of Project Water to be made available to it pursuant to this Contract; and

68 [10<sup>th</sup>] WHEREAS, water obtained from the Project has been relied upon by urban areas  
69 within California for more than 50 years, and is considered by the Contractor as an essential  
70 portion of its water supply; and

71 [11<sup>th</sup>] WHEREAS, the economies of regions within the Project, including the  
72 Contractor's, depend upon the continued availability of water, including water service from the  
73 Central Valley Project; and

74 [12<sup>th</sup>] WHEREAS, the Secretary intends through coordination, cooperation, and  
75 partnerships to pursue measures to improve water supply, water quality, and reliability of the  
76 Project for all Project purposes; and

77 [12.1] WHEREAS, the Contractor and the water users in its Service Area have improved  
78 and will continue to improve water use efficiency through water conservation, water reclamation,  
79 and other best management practices; however, implementing these measures has reduced and  
80 will continue to reduce the ability of the Contractor and the water users in its Service Area to  
81 withstand a Condition of Shortage; and

82 [13<sup>th</sup>] WHEREAS, the mutual goals of the United States and the Contractor  
83 include: to provide for reliable Project Water supplies; to control costs of those supplies; to  
84 achieve repayment of the Project as required by law; to guard reasonably against Project Water  
85 shortages; to achieve a reasonable balance among competing demands for use of Project Water;  
86 and to comply with all applicable environmental statutes, all consistent with the legal obligations  
87 of the United States relative to the Project; and

88 [14<sup>th</sup>] WHEREAS, the parties intend by this Contract to develop a more cooperative  
89 relationship in order to achieve their mutual goals; and

90 [14.1] WHEREAS, the Contractor is a signatory to the Water Forum Agreement, dated  
91 April 24, 2000, which has the co-equal objectives to (1) provide a reliable and safe water supply  
92 for the Sacramento region's economic health and planned development through the year 2030,

93 and (2) preserve the fishery, wildlife, recreational and aesthetic values of the lower American  
94 River; and

95 [14.2] WHEREAS, the Contracting Officer is in support of the co-equal objectives of the  
96 Water Forum Agreement and intends to work cooperatively with the Contractor to investigate  
97 actions that they could take to implement the objectives of the Water Forum Agreement, which,  
98 if agreed to, would be the subject of a separate agreement between them; and

99 [14.3] Omitted; and

100 [14.4] WHEREAS, the Contractor's Service Area provided in this Contract includes  
101 areas that on the date of execution of this Contract receive water from a variety of sources,  
102 including, but not limited to, ground water from private wells, surface supplies under privately  
103 held rights, public utilities, public agencies other than the Contractor, water service from the  
104 Contractor provided exclusively through wells operated by the Contractor, and water service  
105 from the Contractor provided through a combination of wells and interim surface supplies; and

106 [14.5] WHEREAS, the Contractor's Service Area provided in this Contract also includes  
107 areas to which Project Water or other surface water may be provided by the Contractor in the  
108 future; and

109 [14.6] WHEREAS, recognizing the physical, legal and jurisdictional circumstances that  
110 exist within the Contractor's Service Area, the parties have agreed to structure this Contract so  
111 that areas within the Contractor's Service Area will become subject to certain terms and  
112 conditions of this Contract at such time as such areas receive water service from the Contractor  
113 consisting of Project Water or other surface water; and

114 [14.7] WHEREAS, in order to continue water service provided under Project Water  
115 service contracts that expire prior to the completion of all appropriate environmental

116 documentation, the United States intends to execute interim renewal contracts pursuant to  
117 Section 3404(c)(1) of the CVPIA, for a period not to exceed three (3) years in length, and for  
118 successive interim periods of not more than two (2) years in length, until such appropriate  
119 environmental documentation, is finally completed, at which time the Secretary shall, pursuant to  
120 Federal Reclamation law, upon request of the Contractor, enter into a long-term renewal contract  
121 for a period of forty (40) years; and may thereafter renew such long-term renewal contracts for  
122 successive periods not to exceed forty (40) years each; and

123 [15<sup>th</sup>] WHEREAS, the United States and the Contractor are willing to enter into and  
124 execute this interim renewal contract (hereinafter “Contract”) consistent with the provisions of  
125 section 3404(c) of the CVPIA and pursuant to Federal Reclamation law on the terms and  
126 conditions set forth below;

127 NOW, THEREFORE, in consideration of the mutual and dependent covenants  
128 herein contained, it is hereby mutually agreed by the parties hereto as follows:

129 DEFINITIONS

130 1. When used herein unless otherwise distinctly expressed, or manifestly  
131 incompatible with the intent of the parties as expressed in this Contract, the term:

132 (a) “Calendar Year” shall mean the period January 1 through December 31,  
133 both dates inclusive;

134 (b) “Charges” shall mean the payments required by Federal Reclamation law  
135 in addition to the Rates specified in this Contract as determined annually by the Contracting  
136 Officer pursuant to this Contract;

137 (c) "Condition of Shortage" shall mean a condition respecting the Project  
138 during any Year such that the Contracting Officer is unable to deliver sufficient water to meet  
139 this Contract Total;

140 (d) "Contracting Officer" shall mean the Secretary of the Interior's duly  
141 authorized representative acting pursuant to this Contract or applicable Federal Reclamation law  
142 or regulation;

143 (e) "Contract Total" shall mean the maximum amount of water to which the  
144 Contractor is entitled under subdivision (a) of Article 3 of this Contract;

145 (f) "Contractor's Service Area" shall mean the area to which the Contractor is  
146 permitted to provide Project Water obtained under this Contract. As of the date of this Contract,  
147 the Contractor's Service Area is the area identified as "Zone 40" and "Zone 40 Expansion Area",  
148 as described in Exhibit "A" attached hereto. The Contractor's Service Area may be modified  
149 from time to time in accordance with Article 35 of this Contract without amendment of this  
150 Contract.

151 (g) "CVPIA" shall mean the Central Valley Project Improvement Act,  
152 Title XXXIV of the Act of October 30, 1992 (106 Stat. 4706);

153 (h-i) Omitted;

154 (j) "Full Cost Rate" shall mean an annual rate, as determined by the  
155 Contracting Officer, that shall amortize the expenditures for construction properly allocable to  
156 the Project irrigation or M&I functions, as appropriate, of facilities in service including all O&M  
157 deficits funded, less payments, over such periods as may be required under Federal Reclamation  
158 law, or applicable contract provisions. Interest will accrue on both the construction expenditures  
159 and funded O&M deficits from October 12, 1982, on costs outstanding at that date, or from the

160 date incurred in the case of costs arising subsequent to October 12, 1982, and shall be calculated  
161 in accordance with subsections 202(3)(B) and (3)(C) of the RRA. The Full Cost Rate includes  
162 actual operation, maintenance, and replacement costs consistent with Section 426.2 of the Rules  
163 and Regulations for the RRA;

164 (k-l) Omitted;

165 (m) "Irrigation Water" shall mean water made available from the Project that  
166 is used primarily in the production of agricultural crops or livestock, including domestic use  
167 incidental thereto, and watering of livestock;

168 (n) Omitted;

169 (o) "Municipal and Industrial (M&I) Water" shall mean Project Water, other  
170 than Irrigation Water, made available to the Contractor. M&I Water shall include water used for  
171 human use and purposes such as the watering of landscaping or pasture for animals (e.g., horses)  
172 which are kept for personal enjoyment or water delivered to land holdings operated in units of  
173 less than five acres unless the Contractor establishes to the satisfaction of the Contracting Officer  
174 that the use of water delivered to any such landholding is a use described in subdivision (m) of  
175 this Article;

176 (p) "M&I Full Cost Water Rate" shall mean the Full Cost Rate applicable to  
177 the delivery of M&I Water;

178 (q) "Operation and Maintenance" or "O&M" shall mean normal and  
179 reasonable care, control, operation, repair, replacement (other than capital replacement), and  
180 maintenance of Project facilities;

181 (r) Omitted;

182 (s) "Project" shall mean the Central Valley Project owned by the United  
183 States and managed by the Department of the Interior, Bureau of Reclamation;

184 (t) "Project Contractors" shall mean all parties who have water service and  
185 repayment contracts for Project Water from the Project with the United States pursuant to  
186 Federal Reclamation law;

187 (u) "Project Water" shall mean all water that is developed, diverted, stored, or  
188 delivered by the Secretary in accordance with the statutes authorizing the Project and in  
189 accordance with the terms and conditions of water rights acquired pursuant to California law;

190 (v) "Rates" shall mean the payments determined annually by the  
191 Contracting Officer in accordance with the then-current applicable water ratesetting policies for  
192 the Project, as described in subdivision (a) of Article 7 of this Contract;

193 (w) "Recent Historic Average" shall mean the most recent five-year average of  
194 the final forecast of Water Made Available to the Contractor pursuant to this Contract or its  
195 preceding contract(s);

196 (x) "Secretary" shall mean the Secretary of the Interior, a duly appointed  
197 successor, or an authorized representative acting pursuant to any authority of the Secretary and  
198 through any agency of the Department of the Interior;

199 (y) Omitted;

200 (z) "Water Delivered" or "Delivered Water" shall mean Project Water diverted  
201 for use by the Contractor at the point(s) of delivery approved by the Contracting Officer;

202 (aa) "Water Made Available" shall mean the estimated amount of  
203 Project Water that can be delivered to the Contractor for the upcoming Year as declared by the  
204 Contracting Officer, pursuant to subdivision (a) of Article 4 of this Contract;

205 (bb) "Water Scheduled" shall mean Project Water made available to the  
206 Contractor for which times and quantities for delivery have been established by the Contractor  
207 and Contracting Officer, pursuant to subdivision (b) of Article 4 of this Contract; and

208 (cc) "Year" shall mean the period from and including March 1 of each  
209 Calendar Year through the last day of February of the following Calendar Year.

210 TERM OF CONTRACT

211 2. (a) This Contract shall be effective from January 1, 2013, and shall remain in  
212 effect through February 28, 2015, and thereafter will be renewed as described in this Article.  
213 Except as provided in subdivision (b) of this Article, until completion of all appropriate  
214 environmental review, and provided that the Contractor has complied with all the terms and  
215 conditions of the interim renewal contract in effect for the period immediately preceding the  
216 requested successive interim renewal contract, this Contract will be renewed, upon request of the  
217 Contractor, for successive interim periods each of which shall be no more than two (2) years in  
218 length. Also, except as provided in subdivision (b) of this Article, in order to promote orderly  
219 and cost effective contract administration, the terms and conditions in subsequent interim  
220 renewal contracts shall be identical to the terms and conditions in the interim renewal contract  
221 immediately preceding the subsequent interim renewal contract: *Provided, however,* That each  
222 party preserves the right to propose modification(s) in any interim renewal contract other than  
223 those described in subdivision (b) of this Article, in which case the parties shall negotiate in good  
224 faith appropriate modification(s) to be included in any successive interim renewal contracts.  
225 Said modification(s) of each successive interim renewal contract shall be agreed upon within a  
226 reasonable time prior to the expiration of the then-existing interim renewal contract. Nothing in  
227 this Article shall in any way alter the obligation that, upon final completion of any necessary

228 supplemental environmental documentation, the Secretary shall, pursuant to Federal Reclamation  
229 law, upon request of the Contractor, enter into a long-term renewal contract for a period of  
230 forty (40) years and may thereafter renew such long-term renewal contracts for successive  
231 periods not to exceed forty (40) years each.

232 (b) The parties have engaged and if necessary will continue to engage in good  
233 faith negotiations intended to permit the execution of a forty (40) year long-term renewal  
234 contract contemplated by Section 3404(c) of the CVPIA, hereinafter referred to as a “long-term  
235 renewal contract.” The parties recognize the possibility that this schedule may not be met  
236 without further negotiations. Accordingly: In the event (i) the Contractor and Contracting  
237 Officer have reached agreement on the terms of the Contractor’s long-term renewal contract or  
238 (ii) the Contractor and Contracting Officer have not completed the negotiations on the  
239 Contractor’s long-term renewal contract, believe that further negotiations on that contract would  
240 be beneficial, and mutually commit to continue to negotiate to seek to reach agreement, but  
241 (iii) all environmental documentation required to allow execution of the Contractor’s long-term  
242 renewal contract by both parties has not been completed in time to allow execution of the  
243 Contractor’s long-term renewal contract by February 28, 2015, then (iv) the parties will  
244 expeditiously complete the environmental documentation required of each of them in order to  
245 execute the Contractor’s long-term renewal contract at the earliest practicable date. In addition,  
246 the Contractor’s then-current interim renewal contract will be renewed without change upon the  
247 request of either party through the agreed-upon effective date of the Contractor’s long-term  
248 renewal contract or, in the absence of agreement on the terms of the Contractor’s long-term  
249 renewal contract, through the succeeding February 28.

250 (c) The omission of language in this Contract providing for conversion of this  
251 interim renewal contract or any subsequent renewals thereof to a repayment contract pursuant to  
252 subsection (c)(1) of Section 9 of the Reclamation Project Act of 1939 (53 Stat. 1187), shall not  
253 prejudice the Contractor's right to assert a right to have such language included in subsequent  
254 renewals of this Contract or to exercise such conversion, all as provided by law, or to negotiate  
255 the language regarding such conversion to be included in subsequent renewal contracts.

256 WATER TO BE MADE AVAILABLE AND DELIVERED TO THE CONTRACTOR

257 3. (a) During each Year, consistent with all applicable State water rights,  
258 permits, and licenses, Federal law, and subject to the provisions set forth in Articles 11 and 12 of  
259 this Contract, the Contracting Officer shall make available for delivery to the Contractor up to  
260 30,000 acre-feet of M&I Water. Provided, however, during the two (2) month period of January  
261 and February of 2013, the Contracting Officer shall make available for delivery to the Contractor  
262 that portion of the 2012 allocation of Project Water unused by the Contractor under the Existing  
263 Contract. The quantity of Water Delivered to the Contractor in accordance with this subdivision  
264 shall be scheduled and paid for pursuant to the provisions of Articles 4 and 7 of this Contract.

265 (b) Because the capacity of the Project to deliver Project Water has been  
266 constrained in recent years and may be constrained in the future due to many factors including  
267 hydrologic conditions and implementation of Federal and State laws, the likelihood of the  
268 Contractor actually receiving the total amount of Project Water set out in subdivision (a) of this  
269 Article in any given Year is uncertain. The Contracting Officer's modeling referenced in the  
270 PEIS projected that the Contract Total set forth in this Contract will not be available to the  
271 Contractor in many years. During the most recent five years, the Recent Historic Average of

272 Water Made Available to the Contractor was 28,500 acre-feet. Nothing in subdivision (b) of this  
273 Article shall affect the rights and obligations of the parties under any provision of this Contract.

274 (c) The Contractor shall utilize the Project Water in accordance with all  
275 applicable legal requirements.

276 (d) The Contractor shall make reasonable and beneficial use of all water  
277 furnished pursuant to this Contract. Groundwater recharge programs (direct, indirect, or in lieu),  
278 groundwater banking programs, surface water storage programs, and other similar programs  
279 utilizing Project Water or other water furnished pursuant to this Contract conducted within the  
280 Contractor's Service Area which are consistent with applicable State law and result in use  
281 consistent with Federal Reclamation law will be allowed; *Provided*, That any direct recharge  
282 program(s) is (are) described in the Contractor's water conservation plan submitted pursuant to  
283 Article 26 of this Contract; *Provided, further*, That such water conservation plan demonstrates  
284 sufficient lawful uses exist in the Contractor's Service Area to show reasonable and beneficial  
285 use of the quantity of Delivered Water based on a long-term average in compliance with Federal  
286 Reclamation law. Groundwater recharge programs, groundwater banking programs, surface  
287 water storage programs, and other similar programs utilizing Project Water or other water  
288 furnished pursuant to this Contract conducted outside the Contractor's Service Area may be  
289 permitted upon written approval of the Contracting Officer, which approval will be based upon  
290 environmental documentation, Project Water rights, and Project operational concerns. The  
291 Contracting Officer will address such concerns in regulations, policies, or guidelines.

292 (e) The Contractor shall comply with requirements applicable to the  
293 Contractor in biological opinion(s) prepared as a result of a consultation regarding the execution  
294 of this Contract undertaken pursuant to Section 7 of the Endangered Species Act of 1973 (ESA),

295 as amended, that are within the Contractor’s legal authority to implement. The Existing Contract  
296 which evidences in excess of 40 years of diversion for M&I purposes of the quantities of water  
297 provided in subdivision 3(a) of Article 3 of this Contract, will be considered in developing an  
298 appropriate baseline for biological assessments(s) prepared pursuant to ESA and any other  
299 needed environmental review. Nothing herein shall be construed to prevent the Contractor from  
300 challenging or seeking judicial relief in a court of competent jurisdiction with respect to any  
301 biological opinion or other environmental documentation referred to in this Article.

302 (f) Following the declaration of Water Made Available under Article 4 of this  
303 Contract, the Contracting Officer will make a determination whether Project Water, or other  
304 water available to the Project, can be made available to the Contractor in addition to the Contract  
305 Total under Article 3 of this Contract during the Year without adversely impacting other Project  
306 Contractors. At the request of the Contractor, the Contracting Officer will consult with the  
307 Contractor prior to making such a determination. If the Contracting Officer determines that  
308 Project Water, or other water available to the Project, can be made available to the Contractor,  
309 the Contracting Officer will announce the availability of such water and shall so notify the  
310 Contractor as soon as practical. The Contracting Officer will thereafter meet with the Contractor  
311 and other Project Contractors capable of taking such water to determine the most equitable and  
312 efficient allocation of such water. If the Contractor requests the delivery of any quantity of such  
313 water, the Contracting Officer shall make such water available to the Contractor in accordance  
314 with applicable statutes, regulations, guidelines, and policies.

315 (g) The Contractor may request permission to reschedule for use during the  
316 subsequent Year some or all of the Water Made Available to the Contractor during the current  
317 Year referred to as “carryover.” The Contractor may request permission to use during the

318 current Year a quantity of Project Water which may be made available by the United States to  
319 the Contractor during the subsequent Year referred to as “preuse.” The Contracting Officer’s  
320 written approval may permit such uses in accordance with applicable statutes, regulations,  
321 guidelines, and policies.

322 (h) The Contractor’s right pursuant to Federal Reclamation law and applicable  
323 State law to the reasonable and beneficial use of Water Delivered pursuant to this Contract  
324 during the term thereof and any subsequent renewal contracts, as described in Article 2 of this  
325 Contract, during the terms thereof shall not be disturbed so long as the Contractor shall fulfill all  
326 of its obligations under this Contract and any renewals thereof. Nothing in the preceding  
327 sentence shall affect the Contracting Officer’s ability to impose shortages under Article 11 or  
328 subdivision (b) of Article 12 of this Contract or applicable provisions of any subsequent renewal  
329 contracts.

330 (i) Project Water furnished to the Contractor pursuant to this Contract may be  
331 delivered for purposes other than those described in subdivision (o) of Article 1 of this Contract  
332 upon written approval by the Contracting Officer in accordance with the terms and conditions of  
333 such approval.

334 (j) The Contracting Officer shall make reasonable efforts to protect the water  
335 rights necessary for the Project and to provide the water available under this Contract. The  
336 Contracting Officer shall not object to participation by the Contractor, in the capacity and to the  
337 extent permitted by law, in administrative proceedings related to the Project Water rights;  
338 *Provided*, That the Contracting Officer retains the right to object to the substance of the  
339 Contractor’s position in such a proceeding; *Provided further*, That in such proceedings the

340 Contracting Officer shall recognize the Contractor has a legal right under the terms of this  
341 Contract to use Project Water.

342 TIME FOR DELIVERY OF WATER

343 (4) (a) On or about February 20 of each Calendar Year, the Contracting Officer  
344 shall announce the Contracting Officer's expected declaration of the Water Made Available.  
345 Such declaration will be expressed in terms of both Water Made Available and the Recent  
346 Historic Average and will be updated monthly, and more frequently if necessary, based on  
347 then-current operational and hydrologic conditions and a new declaration with changes, if any, to  
348 the Water Made Available will be made. The Contracting Officer shall provide forecasts of  
349 Project operations and the basis of the estimate, with relevant supporting information, upon the  
350 written request of the Contractor. Concurrently with the declaration of the Water Made  
351 Available, the Contracting Officer shall provide the Contractor with the updated Recent Historic  
352 Average.

353 (b) On or before each March 1 and at such other times as necessary, the  
354 Contractor shall submit to the Contracting Officer a written schedule, satisfactory to the  
355 Contracting Officer, showing the monthly quantities of Project Water to be delivered by the  
356 United States to the Contractor pursuant to this Contract for the Year commencing on such  
357 March 1. The Contracting Officer shall use all reasonable means to deliver Project Water  
358 according to the approved schedule for the Year commencing on such March 1.

359 (c) The Contractor shall not schedule Project Water in excess of the quantity  
360 of Project Water the Contractor intends to put to reasonable and beneficial use within the  
361 Contractor's Service Area or to sell, transfer or exchange pursuant to Article 9 of this Contract  
362 during any Year.

363 (d) Subject to the conditions set forth in subdivision (a) of Article 3 of this  
364 Contract, the United States shall deliver Project Water to the Contractor in accordance with the  
365 initial schedule submitted by the Contractor pursuant to subdivision (b) of this Article, or any  
366 written revision(s), satisfactory to the Contracting Officer, thereto submitted within a reasonable  
367 time prior to the date(s) on which the requested change(s) is/are to be implemented.

368 POINT OF DIVERSION AND RESPONSIBILITY FOR DISTRIBUTION OF WATER

369 5. (a) Project Water scheduled pursuant to subdivision (b) of Article 4 of this  
370 Contract shall be delivered to the Contractor at the Contractor's option: (i) at the intake for the  
371 Sacramento River Water Treatment Plant owned by the City of Sacramento; (ii) at the intake for  
372 the Freeport Regional Water Project on the Sacramento River; and (iii) any additional point or  
373 points of delivery either on Project facilities or another location or locations mutually agreed to  
374 in writing by the Contracting Officer and the Contractor.

375 (b) The Contracting Officer shall make all reasonable efforts to maintain  
376 sufficient flows and levels of water in Project facilities to deliver Project Water to the Contractor  
377 at the point or points of delivery established pursuant to subdivision (a) of this Article.

378 (c) The Contractor shall not deliver Project Water to land outside the  
379 Contractor's Service Area unless approved in advance by the Contracting Officer.

380 (d) All Water Delivered to the Contractor pursuant to this Contract shall be  
381 measured and recorded with equipment furnished, installed, operated, and maintained by the  
382 United States, or other appropriate entity as designated by the Contracting Officer at the point or  
383 points of delivery established pursuant to subdivision (a) of this Article; *Provided*, That if the  
384 Project Water delivered pursuant to this Contract is diverted at a location or in a manner so as to  
385 be commingled with water diverted by any other entity, the point of measurement for Project

386 Water delivered to the Contractor shall be a location at which Project Water diverted for  
387 Contractor's use can be measured separately from water diverted by any such entity or entities.  
388 Upon the request of either party to this Contract, the Contracting Officer shall investigate, or  
389 cause to be investigated, the accuracy of such measurements and shall take any necessary steps  
390 to adjust any errors appearing therein. For any period of time when accurate measurements have  
391 not been made, the Contracting Officer shall consult with the Contractor prior to making a final  
392 determination of the quantity delivered for that period of time.

393 (e) The Contracting Officer shall not be responsible for the control, carriage,  
394 handling, use, disposal, or distribution of Water Delivered to the Contractor pursuant to this  
395 Contract beyond the delivery points specified in subdivision (a) of this Article. The Contractor  
396 shall indemnify the United States, its officers, employees, agents, and assigns on account of  
397 damage or claim of damage of any nature whatsoever for which there is legal responsibility,  
398 including property damage, personal injury, or death arising out of or connected with the control,  
399 carriage, handling, use, disposal, or distribution of such Water Delivered beyond such delivery  
400 points, except for any damage or claim arising out of: (i) acts or omissions of the Contracting  
401 Officer or any of its officers, employees, agents, or assigns with the intent of creating the  
402 situation resulting in any damage or claim; (ii) willful misconduct of the Contracting Officer or  
403 any of its officers, employees, agents, or assigns; (iii) negligence of the Contracting Officer or  
404 any of its officers, employees, agents, or assigns; or (iv) damage or claims resulting from a  
405 malfunction of facilities owned and/or operated by the United States.

406 MEASUREMENT OF WATER WITHIN THE SERVICE AREA

407 6. (a) The Contractor shall ensure that, unless the Contractor establishes an  
408 alternative measurement program satisfactory to the Contracting Officer, all surface water

409 delivered by the Contractor within the Contractor's Service Area for M&I purposes is measured  
410 at each M&I service connection. The water measuring devices or water measuring methods of  
411 comparable effectiveness must be acceptable to the Contracting Officer. The Contractor shall be  
412 responsible for installing, operating, and maintaining and repairing all such measuring devices  
413 and implementing all such water measuring methods at no cost to the United States. The  
414 Contractor shall use the information obtained from such water measuring devices or water  
415 measuring methods to ensure its proper management of the water, to bill water users for water  
416 delivered by the Contractor; and, if applicable, to record water delivered for M&I purposes by  
417 customer class as defined in the Contractor's water conservation plan provided for in Article 26  
418 of this Contract. Nothing herein contained, however, shall preclude the Contractor from  
419 establishing and collecting any charges, assessments, or other revenues authorized by California  
420 law. The Contractor shall include a summary of all its annual surface water deliveries in the  
421 annual report described in subdivision (c) of Article 26.

422 (b) To the extent the information has not otherwise been provided, upon  
423 execution of this Contract, the Contractor shall provide to the Contracting Officer a written  
424 report describing the measurement devices or water measuring methods being used or to be used  
425 to implement subdivision (a) of this Article and identifying the M&I service connections or  
426 alternative measurement programs approved by the Contracting Officer, at which such  
427 measurement devices or water measuring methods are being used, and, if applicable, identifying  
428 the locations at which such devices and/or methods are not yet being used including a time  
429 schedule for implementation at such locations. The Contracting Officer shall advise the  
430 Contractor in writing within 60 days as to the adequacy, and necessary modifications, if any, of  
431 the measuring devices or water measuring methods identified in the Contractor's report and if the

432 Contracting Officer does not respond in such time, they shall be deemed adequate. If the  
433 Contracting Officer notifies the Contractor that the measuring devices or methods are  
434 inadequate, the parties shall within 60 days following the Contracting Officer's response,  
435 commence to negotiate in good faith how, and the earliest practicable date by which, the  
436 Contractor shall modify said measuring devices and/or measuring methods as required by the  
437 Contracting Officer to ensure compliance with subdivision (a) of this Article.

438 (c) All new surface water delivery systems installed within the Contractor's  
439 Service Area after the effective date of this Contract shall also comply with the measurement  
440 provisions described in subdivision (a) of this Article.

441 (d) The Contractor shall inform the Contracting Officer and the State of  
442 California in writing by April 30 of each Year of the monthly volume of surface water delivered  
443 within the Contractor's Service Area during the previous Year.

444 (e) The Contractor shall inform the Contracting Officer on or before the 20th  
445 calendar day of each month of the quantity of M&I Water taken during the preceding month.

446 RATES AND METHOD OF PAYMENT FOR WATER

447 7. (a) The Contractor shall pay the United States as provided in this Article for  
448 all Delivered Water at Rates and Charges established in accordance with: (i) the Secretary's  
449 then-existing ratesetting policy for M&I Water. Such ratesetting policies shall be amended,  
450 modified, or superseded only through a public notice and comment procedure; (ii) applicable  
451 Federal Reclamation law and associated rules and regulations, or policies; and (iii) other  
452 applicable provisions of this Contract. Payments shall be made by cash transaction, electronic  
453 funds transfer, or any other mechanism as may be agreed to in writing by the Contractor and the

454 Contracting Officer. The Rates and Charges applicable to the Contractor upon execution of this  
455 Contract are set forth in Exhibit "B", as may be revised annually.

456 (b) The Contracting Officer shall notify the Contractor of the Rates and  
457 Charges as follows:

458 (1) Prior to July 1 of each Calendar Year, the Contracting Officer shall  
459 provide the Contractor an estimate of the Charges for Project Water that will be applied  
460 to the period October 1, of the current Calendar Year, through September 30, of the  
461 following Calendar Year, and the basis for such estimate. The Contractor shall be  
462 allowed not less than two months to review and comment on such estimates. On or  
463 before September 15 of each Calendar Year, the Contracting Officer shall notify the  
464 Contractor in writing of the Charges to be in effect during the period October 1 of the  
465 current Calendar Year, through September 30, of the following Calendar Year, and such  
466 notification shall revise Exhibit "B".

467 (2) Prior to October 1 of each Calendar Year, the Contracting Officer  
468 shall make available to the Contractor an estimate of the Rates for Project Water for the  
469 following Year and the computations and cost allocations upon which those Rates are  
470 based. The Contractor shall be allowed not less than two months to review and comment  
471 on such computations and cost allocations. By December 31 of each Calendar Year, the  
472 Contracting Officer shall provide the Contractor with the final Rates to be in effect for  
473 the upcoming Year, and such notification shall revise Exhibit "B".

474 (c) At the time the Contractor submits the initial schedule for the delivery of  
475 Project Water for each Year pursuant to subdivision (b) of Article 4 of this Contract, the  
476 Contractor shall make an advance payment to the United States equal to the total amount payable

477 pursuant to the applicable Rate(s) set under subdivision (a) of this Article, for the Project Water  
478 scheduled to be delivered pursuant to this Contract during the first two calendar months of the  
479 Year. Before the end of the first month and before the end of each calendar month thereafter, the  
480 Contractor shall make an advance payment to the United States, at the Rate(s) set under  
481 subdivision (a) of this Article, for the Water Scheduled to be delivered pursuant to this Contract  
482 during the second month immediately following. Adjustments between advance payments for  
483 Water Scheduled and payments at Rates due for Water Delivered shall be made before the end of  
484 the following month; *Provided*, That any revised schedule submitted by the Contractor pursuant  
485 to Article 4 of this Contract which increases the amount of Water Delivered pursuant to this  
486 Contract during any month shall be accompanied with appropriate advance payment, at the Rates  
487 then in effect, to assure that Project Water is not delivered to the Contractor in advance of such  
488 payment. In any month in which the quantity of Water Delivered to the Contractor pursuant to  
489 this Contract equals the quantity of Water Scheduled and paid for by the Contractor, no  
490 additional Project Water shall be delivered to the Contractor unless and until an advance  
491 payment at the Rates then in effect for such additional Project Water is made. Final adjustment  
492 between the advance payments for the Water Scheduled and payments for the quantities of Water  
493 Delivered during each Year pursuant to this Contract shall be made as soon as practicable but no  
494 later than April 30th of the following Year, or 60 days after the delivery of Project Water carried  
495 over under subdivision (g) of Article 3 of this Contract if such water is not delivered by the last  
496 day of February.

497 (d) The Contractor shall also make a payment in addition to the Rate(s) in  
498 subdivision (c) of this Article to the United States for Water Delivered, at the Charges then in  
499 effect, before the end of the month following the month of delivery. The payments shall be

500 consistent with the quantities of M&I Water Delivered as shown in the water delivery report for  
501 the subject month prepared by the Contracting Officer. The water delivery report shall be  
502 deemed a bill for the payment of Charges for Water Delivered. Adjustment for overpayment or  
503 underpayment of Charges shall be made through the adjustment of payments due to the United  
504 States for Charges for the next month. Any amount to be paid for past due payment of Charges  
505 shall be computed pursuant to Article 20 of this Contract.

506 (e) The Contractor shall pay for any Water Delivered under subdivision (a),  
507 (f), or (g) of Article 3 of this Contract as determined by the Contracting Officer pursuant to  
508 applicable statutes, associated regulations, any applicable provisions of guidelines or  
509 ratesetting policies; *Provided*, That the Rate for Water Delivered under subdivision (f) of  
510 Article 3 of this Contract shall be no more than the otherwise applicable Rate for M&I Water  
511 under subdivision (a) of this Article.

512 (f) Payments to be made by the Contractor to the United States under this  
513 Contract may be paid from any revenues available to the Contractor.

514 (g) All revenues received by the United States from the Contractor relating to  
515 the delivery of Project Water or the delivery of non-Project water through Project facilities shall  
516 be allocated and applied in accordance with Federal Reclamation law and the associated rules or  
517 regulations, and the then-current Project ratesetting policy for M&I Water.

518 (h) The Contracting Officer shall keep its accounts pertaining to the  
519 administration of the financial terms and conditions of its long-term contracts, in accordance  
520 with applicable Federal standards, so as to reflect the application of Project costs and revenues.  
521 The Contracting Officer shall, each Year upon request of the Contractor, provide to the  
522 Contractor a detailed accounting of all Project and Contractor expense allocations, the

523 disposition of all Project and Contractor revenues, and a summary of all water delivery  
524 information. The Contracting Officer and the Contractor shall enter into good faith negotiations  
525 to resolve any discrepancies or disputes relating to accountings, reports, or information.

526 (i) The parties acknowledge and agree that the efficient administration of this  
527 Contract is their mutual goal. Recognizing that experience has demonstrated that mechanisms,  
528 policies, and procedures used for establishing Rates and Charges, and/or for making and  
529 allocating payments, other than those set forth in this Article may be in the mutual best interest  
530 of the parties, it is expressly agreed that the parties may enter into agreements to modify the  
531 mechanisms, policies, and procedures for any of those purposes while this Contract is in effect  
532 without amending this Contract.

533 (j) (1-3) Omitted.

534 (k) For the term of this Contract, Rates under the respective ratesetting  
535 policies will be established to recover only reimbursable O&M (including any deficits) and  
536 capital costs of the Project, as those terms are used in the then-current Project ratesetting  
537 policies, and interest, where appropriate, except in instances where a minimum Rate is applicable  
538 in accordance with the relevant Project ratesetting policy. Changes of significance in practices  
539 which implement the Contracting Officer's ratesetting policies will not be implemented until the  
540 Contracting Officer has provided the Contractor an opportunity to discuss the nature, need, and  
541 impact of the proposed change.

542 (l) Except as provided in subsections 3405(a)(1)(B) and 3405(f) of the  
543 CVPIA, the Rates for Project Water transferred by the Contractor shall be the Contractor's Rates  
544 adjusted upward or downward to reflect the changed costs, if any, incurred by the Contracting

545 Officer in the delivery of the transferred Project Water to the transferee's point of delivery in  
546 accordance with the then-applicable Project ratesetting policy.

547 (m) Omitted.

548 (n) Omitted.

549 NON-INTEREST BEARING OPERATION AND MAINTENANCE DEFICITS

550 8. Omitted.

551 SALES, TRANSFERS, OR EXCHANGES OF WATER

552 9. (a) The right to receive Project Water provided for in this Contract may be  
553 sold, transferred, or exchanged to others for reasonable and beneficial uses within the State if  
554 such sale, transfer, or exchange is authorized by applicable Federal and State laws, and  
555 applicable guidelines or regulations then in effect. No sale, transfer, or exchange of Project  
556 Water under this Contract may take place without the prior written approval of the Contracting  
557 Officer, except as provided for in subdivision (b) of this Article, and no such sales, transfers, or  
558 exchanges shall be approved absent all appropriate environmental documentation, including but  
559 not limited to documents prepared pursuant to the NEPA and ESA. Such environmental  
560 documentation should include, as appropriate, an analysis of groundwater impacts and economic  
561 and social effects, including environmental justice, of the proposed water transfers on both the  
562 transferor and transferee.

563 (b) In order to facilitate efficient water management, among Project  
564 Contractors located within the same geographical area, by means of water transfers and to allow  
565 the Contractor to participate in an accelerated water transfer program during the term of this  
566 Contract, the Contracting Officer shall prepare, as appropriate, all necessary environmental  
567 documentation including, but not limited to, documents prepared pursuant to NEPA and ESA

568 analyzing annual transfers within such geographical areas, and the Contracting Officer shall  
569 determine whether such transfers comply with applicable law. Following the completion of the  
570 environmental documentation, such transfers addressed in such documentation shall be  
571 conducted with advance notice to the Contracting Officer, but shall not require prior written  
572 approval by the Contracting Officer. Such environmental documentation and the Contracting  
573 Officer's compliance determination shall be reviewed every five years and updated, as necessary,  
574 prior to the expiration of the then-existing five-year period. All subsequent environmental  
575 documentation shall include an alternative to evaluate not less than the quantity of Project Water  
576 historically transferred within the same geographical area.

577 (c) For a water transfer to qualify under subdivision (b) of this Article, such  
578 water transfer must: (i) be for irrigation purposes for lands irrigated within the previous three  
579 years, or to be delivered to established wildlife refuges, groundwater basins, or for M&I use or  
580 for fish and wildlife purposes; (ii) occur within a single Year; (iii) occur between a willing seller  
581 and a willing buyer; (iv) convey water through existing Project facilities with no new  
582 construction or modifications to Project facilities and be between existing Project Contractors  
583 and/or the Contractor and the United States, Department of the Interior; and (v) comply with all  
584 applicable Federal, State, and local or tribal laws and requirements imposed for protection of the  
585 environment and Indian Trust Assets, as defined under Federal law.

586 (d) Solely for the purpose of determining whether Section 3405(a)(1)(M) of  
587 the CVPIA applies to the Contractor as a transferor or transferee of Project Water, the  
588 Contracting Officer acknowledges that the Contractor is within a county, watershed, or other  
589 area of origin, as those terms are utilized under California law, of water that constitutes the

590 natural flow of the American River and its tributaries above the confluence of the American and  
591 Sacramento Rivers.

592 APPLICATION OF PAYMENTS AND ADJUSTMENTS

593 10. (a) The amount of any overpayment by the Contractor of the Contractor's  
594 O&M, capital, and deficit (if any) obligations for the Year shall be applied first to any current  
595 liabilities of the Contractor arising out of this Contract then due and payable. Overpayments of  
596 more than \$1,000 shall be refunded at the Contractor's request. In lieu of a refund, any amount  
597 of such overpayment, at the option of the Contractor, may be credited against amounts to become  
598 due to the United States by the Contractor. With respect to overpayment, such refund or  
599 adjustment shall constitute the sole remedy of the Contractor or anyone having or claiming to  
600 have the right to the use of any of the Project Water supply provided for herein. All credits and  
601 refunds of overpayments shall be made within 30 days of the Contracting Officer obtaining  
602 direction as to how to credit or refund such overpayment in response to the notice to the  
603 Contractor that it has finalized the accounts for the Year in which the overpayment was made.

604 (b) All advances for miscellaneous costs incurred for work requested by the  
605 Contractor pursuant to Article 25 of this Contract shall be adjusted to reflect the actual costs  
606 when the work has been completed. If the advances exceed the actual costs incurred, the  
607 difference will be refunded to the Contractor. If the actual costs exceed the Contractor's  
608 advances, the Contractor will be billed for the additional costs pursuant to Article 25.

609 TEMPORARY REDUCTIONS—RETURN FLOWS

610 11. (a) Subject to: (i) the authorized purposes and priorities of the Project and the  
611 requirements of Federal law and (ii) the obligations of the United States under existing contracts,  
612 or renewals thereof, providing for water deliveries from the Project, the Contracting Officer shall

613 make all reasonable efforts to optimize Project Water deliveries to the Contractor as provided in  
614 this Contract.

615 (b) The Contracting Officer may temporarily discontinue or reduce the  
616 quantity of Water Delivered to the Contractor as herein provided for the purposes of  
617 investigation, inspection, maintenance, repair, or replacement of any of the Project facilities or  
618 any part thereof necessary for the delivery of Project Water to the Contractor, but so far as  
619 feasible the Contracting Officer will give the Contractor due notice in advance of such temporary  
620 discontinuance or reduction, except in case of emergency, in which case no notice need be given;  
621 *Provided*, That the United States shall use its best efforts to avoid any discontinuance or  
622 reduction in such service. Upon resumption of service after such reduction or discontinuance,  
623 and if requested by the Contractor, the United States will, if possible, deliver the quantity of  
624 Project Water which would have been delivered hereunder in the absence of such discontinuance  
625 or reduction.

626 (c) The United States reserves the right to all seepage and return flow water  
627 derived from Water Delivered to the Contractor hereunder which escapes or is discharged  
628 beyond the Contractor's Service Area; *Provided*, That this shall not be construed as claiming for  
629 the United States any right to seepage or return flow being put to reasonable and beneficial use  
630 pursuant to this Contract within the Contractor's Service Area by the Contractor or those  
631 claiming by, through, or under the Contractor.

632 CONSTRAINTS ON THE AVAILABILITY OF WATER

633 12. (a) In its operation of the Project, the Contracting Officer will use all  
634 reasonable means to guard against a Condition of Shortage in the quantity of water to be made  
635 available to the Contractor pursuant to this Contract. In the event the Contracting Officer  
636 determines that a Condition of Shortage appears probable, the Contracting Officer will notify the  
637 Contractor of said determination as soon as practicable.

638 (b) If there is a Condition of Shortage because of errors in physical operations  
639 of the Project, drought, other physical causes beyond the control of the Contracting Officer or  
640 actions taken by the Contracting Officer to meet current and future legal obligations then, except  
641 as provided in subdivision (a) of Article 18 of this Contract, no liability shall accrue against the  
642 United States or any of its officers, agents, or employees for any damage, direct or indirect,  
643 arising therefrom.

644 (c) Omitted.

645 (d) Project Water furnished under this Contract will be allocated in  
646 accordance with the then-existing Project M&I Water Shortage Policy. Such policy shall be  
647 amended, modified, or superseded only through a public notice and comment procedure.

648 (e) By entering into this Contract, the Contractor does not waive any legal  
649 rights or remedies it may have to file or participate in any administrative or judicial proceeding  
650 contesting: (i) the sufficiency of the manner in which any Project M&I Water Shortage Policy  
651 adopted after the effective date of this Contract was promulgated; (ii) the substance of such a  
652 policy; or (iii) the applicability of such a policy. By agreeing to the foregoing, the Contracting  
653 Officer does not waive any legal defenses or remedies that it may then have to assert in such a  
654 proceeding.

655 UNAVOIDABLE GROUNDWATER PERCOLATION

656 13. Omitted.

657 RULES AND REGULATIONS

658 14. The parties agree that the delivery of M&I Water or use of Federal facilities  
659 pursuant to this Contract is subject to the applicable provisions of Federal Reclamation law and  
660 any applicable rules and regulations promulgated by the Secretary of the Interior under such law.

661 PROTECTION OF WATER AND AIR QUALITY

662 15. (a) Project facilities used to make available and deliver water to the  
663 Contractor shall be operated and maintained in the most practical manner to maintain the quality  
664 of the water at the highest level possible as determined by the Contracting Officer: *Provided,*

665 That the United States does not warrant the quality of the water delivered to the Contractor and is  
666 under no obligation to furnish or construct water treatment facilities to maintain or improve the  
667 quality of water delivered to the Contractor.

668 (b) The Contractor shall comply with all applicable water and air pollution  
669 laws and regulations of the United States and the State of California; and shall obtain all required  
670 permits or licenses from the appropriate Federal, State, or local authorities necessary for the  
671 delivery of water by the Contractor; and shall be responsible for compliance with all Federal,  
672 State and local water quality standards applicable to surface and subsurface drainage and/or  
673 discharges generated through the use of Federal or Contractor facilities or project water provided  
674 by the Contractor within the Contractor's Project Water Service Area.

675 (c) This article shall not affect or alter any legal obligations of the Secretary to  
676 provide drainage or other discharge services.

677 QUALITY OF WATER

678 16. Combined with Article 15.

679 WATER ACQUIRED BY THE CONTRACTOR OTHER THAN  
680 FROM THE UNITED STATES

681 17. (a) Omitted.

682 (b) Water or water rights now owned or hereafter acquired by the Contractor,  
683 other than from the United States may be stored, conveyed, and/or diverted through Project  
684 facilities, subject to the completion of appropriate environmental documentation, with the  
685 approval of the Contracting Officer and the execution of any contract determined by the  
686 Contracting Officer to be necessary, consistent with the following provisions:

687 (1) The Contractor may introduce non-Project water into Project  
688 facilities and deliver said water to lands within the Contractor's Service Area, subject to  
689 payment to the United States of an appropriate rate as determined by the applicable  
690 Project ratesetting policy and the Project use power policy, if such Project use power  
691 policy is applicable, each as amended, modified, or superseded from time to time.

692 (2) Delivery of such non-Project water in and through Project facilities  
693 shall only be allowed to the extent such deliveries do not: (i) interfere with other Project

694 purposes as determined by the Contracting Officer; (ii) reduce the quantity or quality of  
695 water available to other Project Contractors; (iii) interfere with the delivery of contractual  
696 water entitlements to any other Project Contractors; or (iv) interfere with the physical  
697 maintenance of the Project facilities; *Provided*, That nothing in this Article is intended to  
698 preclude the United States from passing the Contractor's water rights water through  
699 Project storage facilities to the extent required to satisfy the Contractor's water rights that  
700 are senior to those of the Project under the applicable provisions of California water law.

701 (3) The United States shall not be responsible for control, care, or  
702 distribution of the non-Project water before it is introduced into or after it is delivered  
703 from the Project facilities. The Contractor hereby releases and agrees to defend and  
704 indemnify the United States and their respective officers, agents, and employees, from  
705 any claim for damage to persons or property, direct or indirect, resulting from the acts of  
706 the Contractor, its officers, employees, agents, or assigns in (i) extracting or diverting  
707 non-Project water from any source, or (ii) diverting such non-Project water into Project  
708 facilities.

709 (4) Diversion of such non-Project water into Project facilities shall be  
710 consistent with all applicable laws, and if involving groundwater, consistent with any  
711 applicable groundwater management plan applicable to the Contractor for the area from  
712 which it was extracted.

713 (5) After Project purposes are met, as determined by the Contracting  
714 Officer, the United States and the Contractor shall share priority to utilize the remaining  
715 capacity of the facilities declared to be available by the Contracting Officer for

716 conveyance and transportation of non-Project water prior to any such remaining capacity  
717 being made available to non-Project Contractors.

718 OPINIONS AND DETERMINATIONS

719 18. (a) Where the terms of this Contract provide for actions to be based upon the  
720 opinion or determination of either party to this Contract, said terms shall not be construed as  
721 permitting such action to be predicated upon arbitrary, capricious, or unreasonable opinions or  
722 determinations. Both parties, notwithstanding any other provisions of this Contract, expressly  
723 reserve the right to seek relief from and appropriate adjustment for any such arbitrary, capricious,  
724 or unreasonable opinion or determination. Each opinion or determination by either party shall be  
725 provided in a timely manner. Nothing in subdivision (a) of Article 18 of this Contract is  
726 intended to or shall affect or alter the standard of judicial review applicable under Federal law to  
727 any opinion or determination implementing a specific provision of Federal law embodied in  
728 statute or regulation.

729 (b) The Contracting Officer shall have the right to make determinations  
730 necessary to administer this Contract that are consistent with the provisions of this Contract, the  
731 laws of the United States and of the State of California, and the rules and regulations  
732 promulgated by the Secretary of the Interior. Such determinations shall be made in consultation  
733 with the Contractor to the extent reasonably practicable.

734 COORDINATION AND COOPERATION

735 19. (a) In order to further their mutual goals and objectives, the Contracting  
736 Officer and the Contractor shall communicate, coordinate, and cooperate with each other, and  
737 with other affected Project Contractors, in order to improve the operation and management of the  
738 Project. The communication, coordination, and cooperation regarding operations and

739 management shall include, but not be limited to, any action which will or may materially affect  
740 the quantity or quality of Project Water supply, the allocation of Project Water supply, and  
741 Project financial matters including, but not limited to, budget issues. The communication,  
742 coordination, and cooperation provided for hereunder shall extend to all provisions of this  
743 Contract. Each party shall retain exclusive decision making authority for all actions, opinion,  
744 and determinations to be made by the respective party.

745 (b) Within 120 days following the effective date of this Contract, the  
746 Contractor, other affected Project Contractors, and the Contracting Officer shall arrange to meet  
747 with interested Project Contractors to develop a mutually agreeable, written Project-wide  
748 process, which may be amended as necessary separate and apart from this Contract. The goal of  
749 this process shall be to provide, to the extent practicable, the means of mutual communication  
750 and interaction regarding significant decisions concerning Project operation and management on  
751 a real-time basis.

752 (c) In light of the factors referred to in subdivision (b) of Article 3 of this  
753 Contract, it is the intent of the Secretary to improve water supply reliability. To carry out  
754 this intent:

755 (1) The Contracting Officer will, at the request of the Contractor,  
756 assist in the development of integrated resource management plans for the Contractor.  
757 Further, the Contracting Officer will, as appropriate, seek authorizations for  
758 implementation of partnerships to improve water supply, water quality, and reliability.

759 (2) The Secretary will, as appropriate, pursue program and project  
760 implementation and authorization in coordination with Project Contractors to improve the  
761 water supply, water quality, and reliability of the Project for all Project purposes.

762 (3) The Secretary will coordinate with Project Contractors and the  
763 State of California to seek improved water resource management.

764 (4) The Secretary will coordinate actions of agencies within the  
765 Department of the Interior that may impact the availability of water for Project purposes.

766 (5) The Contracting Officer shall periodically, but not less than  
767 annually, hold division level meetings to discuss Project operations, division level water  
768 management activities, and other issues as appropriate.

769 (d) Without limiting the contractual obligations of the Contracting Officer  
770 under the other Articles of this Contract, nothing in this Article shall be construed to limit or  
771 constrain the Contracting Officer's ability to communicate, coordinate, and cooperate with the  
772 Contractor or other interested stakeholders or to make decisions in a timely fashion as needed to  
773 protect health, safety, or the physical integrity of structures or facilities.

774 CHARGES FOR DELINQUENT PAYMENTS

775 20. (a) The Contractor shall be subject to interest, administrative, and penalty  
776 charges on delinquent payments. If a payment is not received by the due date, the Contractor  
777 shall pay an interest charge on the delinquent payment for each day the payment is delinquent  
778 beyond the due date. If a payment becomes 60 days delinquent, the Contractor shall pay, in  
779 addition to the interest charge, an administrative charge to cover additional costs of billing and  
780 processing the delinquent payment. If a payment is delinquent 90 days or more, the Contractor  
781 shall pay, in addition to the interest and administrative charges, a penalty charge for each day the  
782 payment is delinquent beyond the due date, based on the remaining balance of the payment due  
783 at the rate of 6 percent per year. The Contractor shall also pay any fees incurred for debt  
784 collection services associated with a delinquent payment.

785 (b) The interest rate charged shall be the greater of either the rate prescribed  
786 quarterly in the Federal Register by the Department of the Treasury for application to overdue  
787 payments, or the interest rate of 0.5 percent per month. The interest rate charged will be  
788 determined as of the due date and remain fixed for the duration of the delinquent period.

789 (c) When a partial payment on a delinquent account is received, the amount  
790 received shall be applied first to the penalty charges, second to the administrative charges, third  
791 to the accrued interest, and finally to the overdue payment.

792

EQUAL OPPORTUNITY

793           21.     During the performance of this Contract, the Contractor agrees as follows:

794                   (a)     The Contractor will not discriminate against any employee or applicant for  
795 employment because of race, color, religion, sex, disability, or national origin. The Contractor  
796 will take affirmative action to ensure that applicants are employed, and that employees are  
797 treated during employment, without regard to their race, color, religion, sex, disability, or  
798 national origin. Such action shall include, but not be limited to the following: employment,  
799 upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination;  
800 rates of pay or other forms of compensation; and selection for training, including apprenticeship.  
801 The Contractor agrees to post in conspicuous places, available to employees and applicants for  
802 employment, notices to be provided by the Contracting Officer setting forth the provisions of this  
803 nondiscrimination clause.

804                   (b)     The Contractor will, in all solicitations or advertisements for employees  
805 placed by or on behalf of the Contractor, state that all qualified applicants will receive  
806 consideration for employment without regard to race, color, religion, sex, disability, or national  
807 origin.

808                   (c)     The Contractor will send to each labor union or representative of workers  
809 with which it has a collective bargaining agreement or other contract or understanding, a  
810 notice, to be provided by the Contracting Officer, advising the labor union or workers'  
811 representative of the Contractor's commitments under section 202 of Executive Order 11246 of  
812 September 24, 1965 (EO 11246), and shall post copies of the notice in conspicuous places  
813 available to employees and applicants for employment.

814                   (d)     The Contractor will comply with all provisions of EO 11246, and of the  
815 rules, regulations, and relevant orders of the Secretary of Labor.

816                   (e)     The Contractor will furnish all information and reports required by  
817 EO 11246, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant  
818 thereto, and will permit access to his books, records, and accounts by the Contracting Agency  
819 and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules,  
820 regulations, and orders.

821                   (f)     In the event of the Contractor's noncompliance with the nondiscrimination  
822 clauses of this Contract or with any of such rules, regulations, or orders, this Contract may be  
823 canceled, terminated or suspended in whole or in part and the Contractor may be declared  
824 ineligible for further Government contracts in accordance with procedures authorized in EO 11246,  
825 and such other sanctions may be imposed and remedies invoked as provided in EO 11246 or by  
826 rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

827                   (g)     The Contractor will include the provisions of paragraphs (a) through (g) in  
828 every subcontract or purchase order unless exempted by the rules, regulations, or orders of the  
829 Secretary of Labor issued pursuant to section 204 of EO 11246, so that such provisions will be  
830 binding upon each subcontractor or vendor. The Contractor will take such action with respect to

831 any subcontract or purchase order as may be directed by the Secretary of Labor as a means of  
832 enforcing such provisions, including sanctions for noncompliance: *Provided*, however, that in  
833 the event the Contractor becomes involved in, or is threatened with, litigation with a  
834 subcontractor or vendor as a result of such direction, the Contractor may request that the United  
835 States enter into such litigation to protect the interests of the United States.

836 GENERAL OBLIGATION—BENEFITS CONDITIONED UPON PAYMENT

837 22. (a) The obligation of the Contractor to pay the United States as provided in  
838 this Contract is a general obligation of the Contractor notwithstanding the manner in which the  
839 obligation may be distributed among the Contractor’s water users and notwithstanding the  
840 default of individual water users in their obligations to the Contractor.

841 (b) The payment of charges becoming due pursuant to this Contract is a  
842 condition precedent to receiving benefits under this Contract. The United States shall not make  
843 water available to the Contractor through Project facilities during any period in which the  
844 Contractor is in arrears in the advance payment of water rates due the United States. The  
845 Contractor shall not deliver water under the terms and conditions of this Contract for lands or  
846 parties that are in arrears in the advance payment of water rates as levied or established by the  
847 Contractor.

848 (c) With respect to subdivision (b) of this Article, the Contractor shall have no  
849 obligation to require advance payment for water rates which it levies.

850 COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

851 23. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964  
852 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1973 (Pub. L. 93-112, Title V, as  
853 amended; 29 U.S.C. § 791, et seq.), the Age Discrimination Act of 1975 (Pub. L. 94-135,  
854 Title III; 42 U.S.C. § 6101, et seq.), Title II of the Americans with Disabilities Act of 1990 (Pub.  
855 L. 101-336; 42 U.S.C. § 12131, et seq.), and any other applicable civil rights laws, and with the  
856 applicable implementing regulations and any guidelines imposed by the U.S. Department of the  
857 Interior and/or Bureau of Reclamation.

858 (b) These statutes prohibit any person in the United States from being  
859 excluded from participation in, being denied the benefits of, or being otherwise subjected to  
860 discrimination under any program or activity receiving financial assistance from the Bureau of  
861 Reclamation on the grounds of race, color, national origin, disability, or age. By executing this  
862 Contract, the Contractor agrees to immediately take any measures necessary to implement this  
863 obligation, including permitting officials of the United States to inspect premises, programs, and  
864 documents.

865 (c) The Contractor makes this agreement in consideration of and for the  
866 purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other  
867 Federal financial assistance extended after the date hereof to the Contractor by the Bureau of  
868 Reclamation, including installment payments after such date on account of arrangements for

869 Federal financial assistance which were approved before such date. The Contractor recognizes  
870 and agrees that such Federal assistance will be extended in reliance on the representations and  
871 agreements made in this article and that the United States reserves the right to seek judicial  
872 enforcement thereof.

873 (d) Complaints of discrimination against the Contractor shall be investigated  
874 by the Contracting Officer's Office of Civil Rights.

PRIVACY ACT COMPLIANCE

875 24. Omitted.

CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS

877 25. In addition to all other payments to be made by the Contractor pursuant to this  
878 Contract, the Contractor shall pay to the United States, within 60 days after receipt of a bill and  
879 detailed statement submitted by the Contracting Officer to the Contractor for such specific items  
880 of direct cost incurred by the United States for work requested by the Contractor associated with  
881 this Contract plus indirect costs in accordance with applicable Bureau of Reclamation policies  
882 and procedures. All such amounts referred to in this Article shall not exceed the amount agreed  
883 to in writing in advance by the Contractor. This Article shall not apply to costs for routine  
884 contract administration.

WATER CONSERVATION

886 26. (a) Prior to the delivery of water provided from or conveyed through  
887 Federally constructed or Federally financed facilities pursuant to this Contract, the Contractor  
888 shall be implementing an effective water conservation and efficiency program based on the  
889 Contractor's water conservation plan that has been determined by the Contracting Officer to  
890 meet the conservation and efficiency criteria for evaluating water conservation plans established  
891 under Federal law. The water conservation and efficiency program shall contain definite water  
892 conservation objectives, appropriate economically feasible water conservation measures, and  
893 time schedules for meeting those objectives. Continued Project Water delivery pursuant to this

894 Contract shall be contingent upon the Contractor's continued implementation of such water  
895 conservation program. In the event the Contractor's water conservation plan or any revised  
896 water conservation plan completed pursuant to subdivision (d) of Article 26 of this Contract have  
897 not yet been determined by the Contracting Officer to meet such criteria, due to circumstances  
898 which the Contracting Officer determines are beyond the control of the Contractor, water  
899 deliveries shall be made under this Contract so long as the Contractor diligently works with the  
900 Contracting Officer to obtain such determination at the earliest practicable date, and thereafter  
901 the Contractor immediately begins implementing its water conservation and efficiency program  
902 in accordance with the time schedules therein.

903 (b) Should the amount of M&I Water delivered pursuant to subdivision (a) of  
904 Article 3 of this Contract equal or exceed 2,000 acre-feet per Year, the Contractor shall  
905 implement the best management practices identified by the time frames issued by the California  
906 Urban Water Conservation Council for such M&I Water unless any such practice is determined  
907 by the Contracting Officer to be inappropriate for the Contractor.

908 (c) The Contractor shall submit to the Contracting Officer a report on the  
909 status of its implementation of the water conservation plan on the reporting dates specified in the  
910 then-existing conservation and efficiency criteria established under Federal law.

911 (d) At five-year intervals, the Contractor shall revise its water conservation  
912 plan to reflect the then-current conservation and efficiency criteria for evaluating water  
913 conservation plans established under Federal law and submit such revised water management  
914 plan to the Contracting Officer for review and evaluation. The Contracting Officer will then  
915 determine if the water conservation plan meets Reclamation's then-current conservation and  
916 efficiency criteria for evaluating water conservation plans established under Federal law.

917 (e) If the Contractor is engaged in direct groundwater recharge, such activity  
918 shall be described in the Contractor's water conservation plan. Such water conservation plan  
919 shall demonstrate sufficient lawful uses exist in the Contractor's Service Area to show  
920 reasonable and beneficial use of the quantity of Delivered Water based on a long-term average in  
921 compliance with Federal Reclamation law.

922 EXISTING OR ACQUIRED WATER OR WATER RIGHTS

923 27. Except as specifically provided in Article 17 of this Contract, the provisions of  
924 this Contract shall not be applicable to or affect non-Project water or water rights now owned or  
925 hereafter acquired by the Contractor or any user of such water within the Contractor's Service  
926 Area. Any such water shall not be considered Project Water under this Contract. In addition,  
927 this Contract shall not be construed as limiting or curtailing any rights which the Contractor or  
928 any water user within the Contractor's Service Area acquires or has available under any other  
929 contract pursuant to Federal Reclamation law.

930 OPERATION AND MAINTENANCE BY THE OPERATING NON-FEDERAL ENTITY

931 28. Omitted.

932 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

933 29. The expenditure or advance of any money or the performance of any obligation of  
934 the United States under this Contract shall be contingent upon appropriation or allotment of  
935 funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any  
936 obligations under this Contract. No liability shall accrue to the United States in case funds are  
937 not appropriated or allotted.

938 BOOKS, RECORDS, AND REPORTS

939 30. (a) The Contractor shall establish and maintain accounts and other books and  
940 records pertaining to administration of the terms and conditions of this Contract, including the  
941 Contractor's financial transactions; water supply data; project operation, maintenance, and  
942 replacement logs; project land and rights-of-way use agreements; the water users' land-use (crop  
943 census), land-ownership, land-leasing, and water-use data; and other matters that the Contracting  
944 Officer may require. Reports shall be furnished to the Contracting Officer in such form and on

945 such date or dates as the Contracting Officer may require. Subject to applicable Federal laws  
946 and regulations, each party to this Contract shall have the right during office hours to examine  
947 and make copies of the other party's books and records relating to matters covered by this  
948 Contract.

949 (b) Notwithstanding the provisions of subdivision (a) of this Article, no  
950 books, records, or other information shall be requested from the Contractor by the Contracting  
951 Officer unless such books, records, or information are reasonably related to the administration or  
952 performance of this Contract. Any such request shall allow the Contractor a reasonable period of  
953 time within which to provide the requested books, records, or information.

954 (c) Omitted.

955 ASSIGNMENT LIMITED—SUCCESSORS AND ASSIGNS OBLIGATED

956 31. (a) The provisions of this Contract shall apply to and bind the successors and  
957 assigns of the parties hereto, but no assignment or transfer of this Contract or any right or interest  
958 therein by either party shall be valid until approved in writing by the other party.

959 (b) The assignment of any right or interest in this Contract by either party  
960 shall not interfere with the rights or obligations of the other party to this Contract absent the  
961 written concurrence of said other party.

962 (c) The Contracting Officer shall not unreasonably condition or withhold  
963 approval of any proposed assignment.

964 SEVERABILITY

965 32. In the event that a person or entity who is neither (i) a party to a Project contract,  
966 nor (ii) a person or entity that receives Project Water from a party to a Project contract, nor  
967 (iii) an association or other form of organization whose primary function is to represent parties to  
968 Project contracts, brings an action in a court of competent jurisdiction challenging the legality or  
969 enforceability of a provision included in this Contract and said person, entity, association, or  
970 organization obtains a final court decision holding that such provision is legally invalid or

971 unenforceable and the Contractor has not intervened in that lawsuit in support of the plaintiff(s),  
972 the parties to this Contract shall use their best efforts to (i) within 30 days of the date of such  
973 final court decision identify by mutual agreement the provisions in this Contract which must be  
974 revised and (ii) within three months thereafter promptly agree on the appropriate revision(s).  
975 The time periods specified above may be extended by mutual agreement of the parties. Pending  
976 the completion of the actions designated above, to the extent it can do so without violating any  
977 applicable provisions of law, the United States shall continue to make the quantities of Project  
978 Water specified in this Contract available to the Contractor pursuant to the provisions of this  
979 Contract which were not found to be legally invalid or unenforceable in the final court decision.

980 RESOLUTION OF DISPUTES

981 33. Should any dispute arise concerning any provisions of this Contract, or the  
982 parties' rights and obligations thereunder, the parties shall meet and confer in an attempt to  
983 resolve the dispute. Prior to the Contractor commencing any legal action, or the Contracting  
984 Officer referring any matter to Department of Justice, the party shall provide to the other party  
985 30 days' written notice of the intent to take such action; *Provided*, That such notice shall not be  
986 required where a delay in commencing an action would prejudice the interests of the party that  
987 intends to file suit. During the 30-day notice period, the Contractor and the Contracting Officer  
988 shall meet and confer in an attempt to resolve the dispute. Except as specifically provided,  
989 nothing herein is intended to waive or abridge any right or remedy that the Contractor or the  
990 United States may have.

991 OFFICIALS NOT TO BENEFIT

992 34. No Member of or Delegate to the Congress, Resident Commissioner, or official of  
993 the Contractor shall benefit from this Contract other than as a water user or landowner in the  
994 same manner as other water users or landowners.

995

CHANGES IN CONTRACTOR’S ORGANIZATION

996           35.   (a)   While this Contract is in effect, no change may be made in the Contractor’s  
997 organization, by inclusion or exclusion of lands or by any other changes which may affect the  
998 respective rights, obligations, privileges, and duties of either the United States or the Contractor  
999 under this Contract including, but not limited to, dissolution, consolidation, or merger, except  
1000 upon the Contracting Officer’s written consent.

1001                   (b)   Within 30 days of receipt of a request for such a change, the Contracting  
1002 Officer will notify the Contractor of any additional information required by the Contracting  
1003 Officer for processing said request, and both parties will meet to establish a mutually agreeable  
1004 schedule for timely completion of the process. Such process will analyze whether the proposed  
1005 change is likely to: (i) result in the use of Project Water contrary to the terms of this Contract;  
1006 (ii) impair the ability of the Contractor to pay for Project Water furnished under this Contract or  
1007 to pay for any Federally-constructed facilities for which the Contractor is responsible; and (iii)  
1008 have an impact on any Project Water rights applications, permits, or licenses. In addition, the  
1009 Contracting Officer shall comply with the NEPA and ESA. The Contractor will be responsible  
1010 for all costs incurred by the Contracting Officer in this process, and such costs will be paid in  
1011 accordance with Article 25 of this Contract.

1012

FEDERAL LAWS

1013           36.   By entering into this Contract, the Contractor does not waive its rights to contest  
1014 the validity or application in connection with the performance of the terms and conditions of this  
1015 Contract of any Federal law or regulation; *Provided*, That the Contractor agrees to comply with  
1016 the terms and conditions of this Contract unless and until relief from application of such Federal  
1017 law or regulation to the implementing provision of the Contract is granted by a court of  
1018 competent jurisdiction.

1019

NOTICES

1020           37.   Any notice, demand, or request authorized or required by this Contract shall be  
1021 deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or  
1022 delivered to the Area Manager, Bureau of Reclamation, 7794 Folsom Dam Road, Folsom,  
1023 California 95630-1799, and on behalf of the United States, when mailed, postage prepaid, or  
1024 delivered to the Chief, Water Resources Division, County of Sacramento, 827 Seventh Street,  
1025 Room 301, Sacramento, California 95814 . The designation of the addressee or the address may  
1026 be changed by notice given in the same manner as provided in this Article for other notices.

1027 CONFIRMATION OF CONTRACT

1028 38. Promptly after the execution of this Contract, the Contractor shall provide  
1029 evidence to the Contracting Officer that, pursuant to the laws of the State of California, the  
1030 Contractor is a legally constituted entity and the Contract is lawful, valid, and binding on the  
1031 Contractor. This Contract shall not be binding on the United States until such evidence has been  
1032 provided to the Contracting Officer's satisfaction.

1033 SUBCONTRACT FOR RESALE OF WATER

1034 39. Omitted.

1035 MEDIUM FOR TRANSMITTING PAYMENTS

1036 40. (a) All payments from the Contractor to the United States under this Contract  
1037 shall be by the medium requested by the United States on or before the date payment is due. The  
1038 required method of payment may include checks, wire transfers, or other types of payment  
1039 specified by the United States.

1040 (b) Upon execution of the Contract, the Contractor shall furnish the  
1041 Contracting Officer with the Contractor's taxpayer's identification number (TIN). The purpose  
1042 for requiring the Contractor's TIN is for collecting and reporting any delinquent amounts arising  
1043 out of the Contractor's relationship with the United States.

1044 CONTRACT DRAFTING CONSIDERATIONS

1045 41. This Contract has been, negotiated and reviewed by the parties hereto, each of  
1046 whom is sophisticated in the matters to which this Contract pertains. The double spaced Articles  
1047 of this Contract have been drafted, negotiated, and reviewed by the parties, and no one party  
1048 shall be considered to have drafted the stated articles.

1049                    IN WITNESS WHEREOF, the parties hereto have executed this Contract as of  
1050 the day and year first above written.

1051                    THE UNITED STATES OF AMERICA

1052                    By: \_\_\_\_\_  
1053                    Regional Director, Mid-Pacific Region  
1054                    Bureau of Reclamation

1055 (SEAL)  
1056                    SACRAMENTO COUNTY WATER AGENCY

1057                    By: \_\_\_\_\_  
1058                    Chairman of the Board of Directors

1059 Attest:

1060 By: \_\_\_\_\_  
1061 Secretary of the Board of Directors

EXHIBIT A  
[Map of Contractor's Service Area]

Draft

EXHIBIT "B"  
Rates and Charges  
(Placeholder)

Draft